REMARKS

Claims 1-18 were presented for examination and are pending. In the first Office Action dated June 5, 2007, claims 1-18 were rejected as anticipated by U.S. Patent No. 6,049,784 by *Rosen*. The Applicant thanks the Examiner for his consideration and addresses the Examiner's comments concerning the claims pending in this application below. Applicant herein amends claims 1, 6, and 13-16, and respectfully traverses the rejection. New claims 19-25 are added. The changes are believed to not introduce new matter, and their entry is respectfully requested. The claims have been amended to expedite the prosecution and issuance, and in making these amendments, the Applicant has not and is not narrowing the scope of the protection to which the Applicant considers the claimed invention to be entitled and does not concede, directly or by implication, that the subject matter of such claims was in fact disclosed or taught by the cited prior art. Rather, the Applicant reserves the right to pursue such protection at a later point in time and merely seeks to pursue protection for the subject matter presented in this submission.

A. Form of Anticipation Rejection Based on *Rosen* is Inconsistent with the Spirit and Requirements of 37 CFR 1.104(c)(2).

Pursuant to 37 CFR 1.104(c)(2), when a reference is complex,

> . . . . the particular part relied on must be designated as nearly as practicable. The pertinence of each reference, if not apparent, must be clearly explained and each rejected claim specified.

With respect to *Rosen*, a 156 paragraph and complex reference, the Office Action appears on its face to comply with the Rule 1.104(c)(2), but "the particular part relied on" is actually just the same columns and paragraphs copied after each claim. More particularly, the following cite:

> **(see column 8 para 0065-0067 and para 0068-0074 and column 9-13 para 0089-0149)**

appears 21 times in the Office Action—at least once for each claim and 3 times for claim 1. Such widespread use of the copy function is not only not helpful, the "particular part" is actually 71 paragraphs, and provides no meaningful specificity.

So, for example, when trying to understand the Examiner's position as to the anticipation rejection of claim 15, all 71 paragraphs were reviewed for any mention

of "contract clusters". No mention of contract was found. The term "cluster" was found in a completely irrelevant context.

Nonetheless, in a spirit of cooperation and in order to move prosecution of this application forward, a full response follows below.

B. Anticipation Rejection of Claims 1-18 by *Rosen* is Addressed.

Claims 1-18 were rejected under 35 U.S.C. §102(e) as anticipated by U.S. Patent No. 6,049,784 by *Rosen*. Applicant respectfully traverses this rejection in light of the above amendments and the following remarks.

MPEP §2131 provides:

> A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegall Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 U.S.P.Q.2d 1051, 1053 (Fed. Cir.1987). "The identical invention must be shown in as complete detail as contained in the claim." *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 U.S.P.Q.2d 1913, 1920 (Fed. Cir. 1989).

The claims as currently amended recite features lacking in *Rosen*. For example, independent claim 1 recites, among other things

> a risk allocation value (RAV) component coupled to the messaging bus and having an interface for receiving validated order messages from the validator, wherein the RAV component implements processes for evaluating risk associated with an order should that order be completed and preventing completion on an order in response to the RAV component identifying an unacceptable position . . . .

However, before addressing the specific claim language of claims 1, 13 and 19 and how it differs from *Rosen*, it is worth discussing more generally the present invention as described in the specification. The trading system of the present invention handles and matches order requests for buying and selling futures contracts. Each order is validated and assigned a Risk Allocation Value ("RAV"). The RAV measures the risk associated with an order should that order be completed. Based on predetermined criteria, orders that exceed a certain risk are prevented from fulfillment. Those deemed to meet acceptable risk are matched and the matches are then stored. A settlement component determines a proposed settlement price and publishes that price to the price vendor community.

The present invention also supports multiple "contract clusters," i.e., groups of contracts that are sufficiently related to allow offers to sell and bids to buy the contracts within a contract cluster to be matched against each other. For example, a "contract cluster" may comprise two contracts sharing a spread or strip relationship that requires implied markets be generated between the two markets. When contract clustering occurs, a unique identification called the cluster ID is associated with each cluster. The present invention configures each component to recognize a particular cluster ID and ignore messages associated with other cluster IDs. Thus, when the matching engine considers an order entering into one contract that is identified as being associated with a contract cluster, the match engine reacts as potentially causing a match in two or more contracts. The match engine thus considers the two or more contracts simultaneously when determining matches. These and other aspects of the claimed invention are not taught by *Rosen*.

Rosen is argued as disclosing a Risk Management System ("RMS") that reads on the claimed RMV. While *Rosen's* RMS provides a service to a middle office balancing system, *see Rosen* [0066], the system's primary purpose is to not produce mismatches in trade records of various securities. *See Rosen* [0062]. Using data of trades that have already occurred on various exchanges, the RMS warns managers with an alarm condition that a market maker or principal has an unacceptable risk. It is then up to the managers how to respond. *See, e.g., Rosen* [0101] which describes how, "[b]ased upon the combination of alarms, different levels of alerts would be issued to specified personnel in the firm." In other words, *Rosen* discloses a reactive system that provides data regarding historical, i.e., past trades, brings information to the firm's attention, but requires them to act on the alerts. *See Rosen* [0065]. *Rosen*'s RMS is not capable of and does not disclose, a process by which the RMS itself can make the decision to prevent an unacceptable trade before the trade settles.

The present invention, according to claims 1 and 13, describes a system and method whereby order risk is accessed before the order is acted upon and orders that possess unacceptable risk are prevented from occurring. The present invention is proactive in nature while *Rosen* is reactive.

Each of dependent claims 2-12 and 14-18 includes these distinguishing features of independent claims 1 and 13 through dependence. Accordingly, and at a minimum, dependent claims 2-12 and 14-18 are patentably distinguishable and therefore not anticipated by *Rosen*.

Dependent claim 15 is further distinguishable over *Rosen*, by its ability to match orders involving contract clusters, as follows:

> The method of claim 13 wherein the futures contract includes contract clustering and each contract cluster includes two or more related contracts and each contract cluster is given a unique cluster identification, and wherein matching orders associated with one contract of a particular cluster identification includes simultaneous consideration of the two or more related contracts associated with the particular cluster identification.

Contract clusters involve contracts that are related, and an order placed with one contract may implicate another within that cluster. One advantage of the present invention not disclosed by *Rosen*, is the ability to consider and match orders and contracts simultaneously. A contract cluster ID is assigned to contract clusters identifying to the matching engine that other contracts must be considered when making a match. *Rosen* does not disclose, teach or suggest contract clusters.

Despite this, the Office Action states that "Rosen discloses wherein the particular class of futures contracts comprises a contract cluster." However the word "contract" is not found anywhere in *Rosen*. Moreover, the term "cluster" is identified in *Rosen* as relating to either the Trade Processing Analytic (TPA) server location, *see Rosen* [0082], or to the number exceptions relating to similar problems is a "cluster effect", *see Rosen* [0129]. Furthermore, the use of the term "classes" relate to priority for exceptions when a clerk chooses to work on an item. It does not relate to the matching of contracts or the assignment of a cluster ID to link together a plurality of contracts, as claimed. Accordingly, dependent claim 15 is further distinguishable over *Rosen*, in addition to the distinguishing features of independent claim 13 from which it depends.

For the above reasons, claims 1-18 are patentably distinguishable over *Rosen* and reconsideration is respectfully requested.

C. New Claims 19-25

New independent claim 19 recites the elements of original claim 1 and includes, in addition,

> . . . . a settlement component coupled to the persist component and having an interface for receiving orders matched by the match engine and an interface for receiving trade data, wherein the settlement component calculates a proposed settlement price and submits the proposed settlement price for publication.

This detailed feature is not fully taught or suggested by *Rosen*. Further, dependent claim 20 recites the distinguishing RAV component included now in amended claim 1, making claim 20 further distinguishable over *Rosen*. Dependent claims 21-25 are further distinguishing as depending from an allowable base claim. No new matter is added by any of claims 20-25.

D. Petition for 2-Month Extension, Excess Claim Fees, and Conclusion

The undersigned hereby petitions for a 2-month extension, extending the period for response to November 5, 2007. Please charge Deposit Account No. 50-1123 the two-month extension fee.

One addition independent claim and 4 claims in excess of 20 are added herein. The Office is authorized to charge Deposit Account No. 50-1123 the excess claims fees and any fee deficiencies associated with this filing.

The Applicant looks forward to the Examiner's consideration. Should the Examiner be of the opinion that a telephone conference would expedite the prosecution of this case, the Examiner is requested to contact Applicant's attorney at the telephone number listed below.

Respectfully submitted,

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